

(b) *Notification to the Federal Election Commission.* Promptly, after all the payments under paragraph (a) of this section have been made for a calendar month, the Secretary shall notify the Commission of the amount paid to each candidate for the calendar month and the balance remaining in the Presidential Primary Matching Payment Account.

(c) *Payments to candidates in the case of shortfall.* If the amount certified by the Commission in a calendar month exceeds the balance in the Presidential Primary Matching Payment Account on the last day of the calendar month, the amount paid to a candidate for that month under paragraph (a) of this section is the amount determined by multiplying the amount certified by the Commission for the candidate during the calendar month by the ratio of the balance in the account on the last day of the calendar month over the total amount certified by the Commission for all the candidates during the calendar month. Any amount certified by the Commission, but not paid to a candidate because of this paragraph (c), is treated as an amount certified by the Commission for that candidate during the succeeding calendar month.

(d) *Example.* The provisions of paragraph (c) of this section may be illustrated by the following example.

Example. X, Y, and Z are eligible candidates. On February 11, 1992, the Secretary receives certifications by the Commission for X in the amount of \$2000x and Y in the amount of \$500x. There is no certification for Z. The Secretary does not receive any other certifications during February 1992. On February 29, 1992, the balance in the Presidential Primary Matching Payment Account is \$1500x. Under paragraph (c) of this section, X's payment for February 1992 is \$1200x (\$2000x (the amount certified by the Commission for X during February 1992) multiplied by \$1500x (the balance in the account on the last day of February 1992) over \$2500x (the total amount certified by the Commission for all candidates during February 1992)). The amount not paid to X, \$800x (\$2000x minus \$1200x), is treated as certified by the Commission for X during March 1992, the succeeding calendar month. Under paragraph (c) of this section, Y's payment for February 1992 is \$300x (\$500x multiplied by \$1500x over \$2500x). The amount not paid to Y, \$200x (\$500x minus \$300x), is treated as certified by the Commission for Y during March 1992. On March 10, 1992, no certifications are received

for X and Y, but the Secretary receives a certification by the Commission for Z in the amount of \$2600x. The Secretary does not receive any other certifications during March 1992. On March 31, 1992, the balance in the account is \$900x. Under paragraph (c) of this section, X's payment for March 1992 is \$200x (\$800x (the amount treated as certified by the Commission for X during March 1992) multiplied by \$900x (the balance in the account on the last day of March 1992) over \$3600x (the total amount treated as certified or actually certified by the Commission for all candidates during March 1992)). Under paragraph (c) of this section, Y's payment for March 1992 is \$50x (\$200x multiplied by \$900x over \$3600x). Under paragraph (c) of this section, Z's payment for March 1992 is \$650x (\$2600x multiplied by \$900x over \$3600x). The amounts not paid to X, Y, and Z for March 1992 are treated as certified by the Commission during April 1992.

PART 703–800 [RESERVED]

PART 801—BALANCED SYSTEM FOR MEASURING ORGANIZATIONAL AND EMPLOYEE PERFORMANCE WITHIN THE INTERNAL REVENUE SERVICE

Sec.

801.1 Balanced performance measurement system; in general.

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801.3 Measuring employee performance.

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801.6 Business results measures.

AUTHORITY: 5 U.S.C 9501 *et seq.*; secs. 1201, 1204, Pub. L. 105–206, 112 Stat. 685, 715–716, 722 (26 U.S.C. 7804 note).

SOURCE: T.D. 8830, 64 FR 42835, Aug. 6, 1999 unless otherwise noted.

§ 801.1 Balanced performance measurement system; in general.

(a) *In general*—(1) The regulations in this part 801 implement the provisions of sections 1201 and 1204 of the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105–106, 112 Stat. 685, 715–716, 722) and provide rules relating to the establishment by the Internal Revenue Service of a balanced performance measurement system.

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(2) Modern management practice and various statutory and regulatory provisions require the IRS to set performance goals for organizational units and to measure the results achieved by those organizations with respect to those goals. To fulfill these requirements, the IRS has established a balanced performance measurement system, composed of three elements: Customer Satisfaction Measures; Employee Satisfaction Measures; and Business Results Measures. The IRS is likewise required to establish a performance evaluation system for individual employees.

(b) *Effective date.* This part 801 is effective September 7, 1999.

§ 801.2 Measuring organizational performance.

(a) *In general.* The performance measures that comprise the balanced measurement system will, to the maximum extent possible, be stated in objective, quantifiable and measurable terms and, subject to the limitation set forth in paragraph (b) of this section, will be used to measure the overall performance of various operational units within the IRS. In addition to implementing the requirements of the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206, 112 Stat. 685), the measures described here will, where appropriate, be used in performance goals and performance evaluations established, inter alia, under Division E, National Defense Authorization Act for Fiscal Year 1996 (the Clinger-Cohen Act of 1996) (Public Law 104-106, 110 Stat. 186, 679); the Government Performance and Results Act of 1993 (Public Law 103-62, 107 Stat. 285); and the Chief Financial Officers Act of 1990 (Public Law 101-576, 108 Stat. 2838).

(b) *Limitation.* Quantity measures (as described in § 801.6) will not be used to evaluate the performance of or to impose or suggest production goals for any organizational unit with employees who are responsible for exercising judgment with respect to tax enforcement results (as defined in § 801.6) except in conjunction with an evaluation or goals based also upon Customer Satisfaction Measures, Employee Satisfaction Measures, and Quality Measures.

§ 801.3 Measuring employee performance.

(a) *In general.* All employees of the IRS will be evaluated according to the critical elements and standards or such other performance criteria as may be established for their positions. In accordance with the requirements of 5 U.S.C. 4312, 4313 and 9508 and section 1201 of the Internal Revenue Service Restructuring and Reform Act of 1998 (Public Law 105-206, 112 Stat. 685) (as is appropriate to the employee's position), the performance criteria for each position will be composed of elements that support the organizational measures of Customer Satisfaction, Employee Satisfaction and Business Results; however, such organizational measures will not directly determine the evaluation of individual employees.

(b) *Fair and equitable treatment of taxpayers.* In addition to all other criteria required to be used in the evaluation of employee performance, all employees of the IRS will be evaluated on whether they provided fair and equitable treatment to taxpayers.

(c) *Senior Executive Service and special positions.* Employees in the Senior Executive Service will be rated in accordance with the requirements of 5 U.S.C. 4312 and 4313 and employees selected to fill positions under 5 U.S.C. 9503 will be evaluated pursuant to workplans, employment agreements, performance agreements or similar documents entered into between the Internal Revenue Service and the employee.

(d) *General workforce.* The performance evaluation system for all other employees will:

(1) Establish one or more retention standards for each employee related to the work of the employee and expressed in terms of individual performance—

(i) Require periodic determinations of whether each employee meets or does not meet the employee's established retention standards; and

(ii) Require that action be taken, in accordance with applicable laws and regulations, with respect to employees whose performance does not meet the established retention standards.

(2) Establish goals or objectives for individual performance consistent with